

# PSJ3

## Exhibit 244

**To:** Colucci, Dan[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=COLUCCID]; Watson, Laura[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=WATSONL]; Seid, Stephen[/O=PURDUE/OU=PURDUE US/CN=SALES AND MARKETING - FIELD/CN=B4BEE2C8]  
**Cc:** Lowne, Jon[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=DC999509]  
**From:** Crowley, Jack  
**Sent:** Thur 1/24/2008 4:00:28 PM  
**Subject:** RE: Followup on suspicious orders

Hello Dan, Laura and Steve:

I won't be able to get a more comprehensive email out until tomorrow or Monday.

We will begin further discussion on Suspicious Orders and knowing our Customers, etc. shortly. Then we will schedule our first meeting and teleconference to identify and define all of the issues.

I believe that the (only) pertinent SOP is Finance SOP 7.7 for Customer Service. One of the outcomes may be that we develop an additional SBP or two to augment the SOP. Also, the SOP itself should probably be updated. There could be several owners of the SBPs - I have no ego in this matter. At some level, we will also include "no-charge" and Oxy Replacement orders.

I will get the others on board shortly. Steve, I'll be happy to help you out with the distributors and HDMA - and what they are asking, if you'd like. I understand how important these relationships are, etc. and the potential impact on distribution of our product.

Some early framework thoughts;

I. Dan and Laura - and others in support

Knowing our (own) customers and screening suspicious or excessive (increased) purchasing levels - like the thread below.

II. Steve, Jason, Robin, Jack and others

Knowing our Customer's customers - analyzing the data and identifying potential risks (FFS; IMS)

III. Jack, Chuck, etc

Develop policies and initiatives concerning discreet field due diligence where indicated and when agreed by National Accounts and Legal; liaison and partnership with distributor counterpart.

There is no one person responsible for this - we all share in it and I'm proud of

the way we handle this at Purdue.

Best regards,

Jack

-----Original Message-----

From: Colucci, Dan  
Sent: Wednesday, January 23, 2008 2:02 PM  
To: Crowley, Jack; Watson, Laura  
Cc: Lowne, Jon  
Subject: RE: Followup on suspicious orders

Thanks Jack I know you have Seid from National Accounts. Jason Barnes of Finance plays a prominent role in the FFS agreements and the Edge system.

-----Original Message-----

From: Crowley, Jack  
Sent: Wednesday, January 23, 2008 1:45 PM  
To: Colucci, Dan; Watson, Laura  
Cc: Lowne, Jon  
Subject: FW: Followup on suspicious orders

Hello Dan and Laura - and Jon:

I haven't forgotten about this. On the contrary, it is my intention to send out a preliminary email late today or tomorrow to help us frame the issues and develop the agenda. I also want to make sure we have the proper stakeholders, although I don't think we want to invite too many people, as it were.

By the same token, I don't want to exclude anyone either. Going forward, please remind me if I have inadvertently excluded someone who should be part of this discussion.

We have agreed in the past that Customer Service, Credit Services, National Accounts - and Legal/CSA Compliance each play a role in this system. Others in the Finance organization are involved as well. I believe that some element of Corporate Security will play a role here in the future.

Eventually we will report our work to Executive Management. I have stated that I will make a formal presentation to the Executive Audit Committee in May as well.

Best regards,

Jack

-----Original Message-----

From: Crowley, Jack

Sent: Friday, January 18, 2008 11:07 AM

To: Colucci, Dan

Cc: Watson, Laura; Lowne, Jon

Subject: RE: Followup on suspicious orders

Hello Dan:

I'd prefer to set up a meeting next week, after the EAC Meeting on Monday afternoon. I have not forgotten, and I appreciate your position on this matter.

I'll send out a meeting invitation on Monday.

Best regards,

Jack

-----Original Message-----

From: Colucci, Dan

Sent: Friday, January 18, 2008 10:12 AM

To: Crowley, Jack

Cc: Watson, Laura; Lowne, Jon

Subject: Followup on suspicious orders

Jack, please remember we still need to get any additional guidance you wish/need to offer on the new DEA letter.

-----Original Message-----

From: Crowley, Jack

Sent: Tuesday, January 15, 2008 8:50 AM

To: Forsaith, Charles; Colucci, Dan; Seid, Stephen; Udell, Howard

Cc: Watson, Laura; Gasdia, Russell; Mahony, Edward; Lowne, Jon; Graham, Aaron

Subject: Re: Value Drug Altoona, Pa Increased order volume

Dear All:

I am in agreement with all observations - thank you very much, Dan.

Best regards,

Jack

----- Original Message -----

From: Forsaith, Charles

To: Colucci, Dan; Seid, Stephen; Crowley, Jack; Udell, Howard

Cc: Watson, Laura; Gasdia, Russell; Mahony, Edward; Lowne, Jon; Graham, Aaron

Sent: Tue Jan 15 08:47:12 2008

Subject: RE: Value Drug Altoona, Pa Increased order volume

Dan,

I'm OK with the explanation. It seems reasonable and makes sense. The fact that the representative you spoke with was cooperative and is willing to share movement reports with us also goes a long way in allaying concerns.

Chuck

Chuck Forsaith

Corporate Director, Supply Chain Security

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From: Colucci, Dan  
Sent: Monday, January 14, 2008 4:37 PM  
To: Seid, Stephen; Crowley, Jack; Udell, Howard; Forsaith, Charles  
Cc: Watson, Laura; Gasdia, Russell; Mahony, Edward; Lowne, Jon; Graham, Aaron  
Subject: Value Drug Altoona, Pa Increased order volume  
Importance: High

Since 1/1/08 Value Drug a long time Purdue wholesaler has placed ~ \$1.4mm in new orders with us. Release of the final order totaling \$460,000 (still pending) would bring our exposure to \$2.3mm. As they have successfully operated with a \$1.0mm line for at least 5 years (SAP system time), I chose to contact the buyer to try and determine the reason for the increase. Our previous high credit at a month end time that I could find was \$1.4mm at 12/31/03. Earlier this month based on the \$1.4mm previous exposure, the holiday load in and a credit update with their controller I had released orders to bring us to \$1.8mm.

#### Findings:

I spoke with Tom Donahue (very cooperative) their generics buyer as recently their narcotics buyer Mike Aigner left Value-- his choosing. A new buyer has just come on board Ryan Speece. Donahue indicated the following:

--They had problems from their end with the CSOS system at the end of November causing the December orders to be a little heavier than normal coupled with the holiday.

--They are completely out of generics. They have standing 222 form orders with Teva from November that are due to expire soon and they do not know if Teva will ship them. There is a rumor Dava/Impax will let them place an order prior to month end but he cannot confirm that.

--Movement of our product is increasing. He cited 2 examples: On average in 2007 they sold 175 bottles of 20mg Oxycontin monthly--in December they sold 229. For the 40 mg the yearly average was 350 bottles and they sold 387 in December. He said he would be willing to share movement reports with us to help in this type of

situation.

--As they are a coop there was no change to their customer base that might lead to the increase. He reiterated the CSOS issue and the out of generic stock issue. My guess is the the buyer turnover may have contributed too.

--They have a full suspicious order program in place and are constantly reviewing it given the present environment.

Recommendation:

--I am comfortable on the credit side and would be willing to release this.

--Jack, Steve, Howard, & Chuck I need buy in or comments from you. Others feel free to comment.

Jack I know you are just back but we look forward to meeting with you to discuss the latest letter from the DEA.

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From: Colucci, Dan  
Sent: Thursday, January 10, 2008 3:02 PM  
To: Seid, Stephen  
Cc: Lowne, Jon; Watson, Laura  
Subject: Value Drug Altoona, Pa Increased order volume  
Importance: High

Steve, since the first of the month I have received \$1.4mm in new orders from them including one that came in today for \$460,000. If we were to okay this it would increase our exposure to \$2.3mm. I went back and charted exposures back to 3/31/03 by quarter through 12/31/07. I was expecting to find higher exposures from our brand exclusivity days so that this exposure would not seem out of the norm. In my review I could only find 2 occasions when our exposure exceeded \$1.0mm. The high in 2003 approached \$1.4mm at 12/31/03. In light of Jack Crowleys recent e-mail (Laura sent you a copy) I think we need to question the

recent growth. I would be willing to call the buyer if that is okay with you.

My questions would be:

--What accounts for the recent growth?

--Did you take on new business? As they are a coop I'm not sure that would be the case.

I would explain the reasons for the call and see where they lead me before asking additional questions.

I do not show them as an FFS account so they may not have the same days inventory guidelines.....

Please give me your thoughts thanks.